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C O N F I D E N T I A L SECTION 01 OF 03 ASHGABAT 000165

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E.O. 12958: DECL: 01/30/2018
TAGS: [PGOV](#) [PREL](#) [PHUM](#) [EPET](#) [AJ](#) [TX](#)
SUBJECT: TURKMENISTAN: FM MEREDOV DESCRIBES TO AMB. MANN
PRACTICAL APPROACH ON CASPIAN JOINT DEVELOPMENT

REF: ASHGABAT 0164

Classified By: CHARGE RICHARD E. HOAGLAND FOR REASONS 1.4 (B) AND (D).

11. (C) SUMMARY: During a January 29 meeting with U.S. Coordinator for Eurasian Energy Diplomacy Ambassador Steven Mann, Deputy Chairman of the Cabinet of Ministers/Foreign Minister Rashid Meredov said Turkmenistan wants to find the legal basis for joint development with Azerbaijan of the disputed mid-Caspian Serdar field. He also reiterated an earlier statement by President Berdimuhamedov that delimitation is just a technical issue and should not influence Turkmenistan-Azerbaijan relations. Meredov suggested that Azerbaijan and Turkmenistan should hold annual joint international oil and gas conferences, in addition to the separate ones that they already hold, to demonstrate economic cooperation between the two countries in the Caspian. Meredov said Berdimuhamedov is trying to create structures to promote human rights in Turkmenistan. END SUMMARY.

JOINT DEVELOPMENT IN THE CASPIAN

12. (C) Ambassador Steven Mann, U.S. Coordinator for Eurasian Energy Diplomacy, met January 29 with Deputy Cabinet Chairman/Foreign Minister Rashid Meredov to discuss Caspian energy issues. Meredov congratulated Mann on his new position and predicted Mann will do well since he is very familiar with the issues involved. Meredov affirmed the earlier meeting between Mann and President Berdimuhamedov had been very positive (reftel). He noted that during the meeting Berdimuhamedov had shown on a map where Azerbaijan

and Turkmenistan had discussed ways to achieve joint development in the Caspian.

13. (C) Meredov said the disputed Serdar mid-Caspian field was completely the property of Turkmenistan but the Turkmen, nevertheless, wanted assistance in determining the legal basis for its joint development. He noted there are examples, such as north-Caspian fields between Russia and Kazakhstan but that was resolved by delimitation. He said the two sides had drawn a line, which was more or less in the center, and declared that on one side was Kazakhstan and Russia was on the other -- although the line had had to wiggle at points for political considerations. Turkmenistan, however, was not immediately talking about formal delimitation, but a way to have commercial activity in the disputed area that had a legal basis. Currently, international oil companies were working on the "Azeri side" of the Caspian, but taking oil from a field that was completely in Turkmenistan's waters. He said the Azeris are aware of this issue. Technically, what Turkmenistan needs is a legal, commercial way to correct this problem. The Russia-Kazakhstan example was not what they had in mind here.

14. (C) Mann said it is very important to settle the ownership of Serdar and export that oil. However, the consortium would have to work out the payment issues. If there is international investment in extracting the oil, the companies themselves will find the most effective route. The first goal should be to give development rights to a company.

DELIMITATION

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15. (C) Quoting Berdimuhamedov, Meredov said delimitation, unlike joint development, is just a technical issue and should not influence relations between Azerbaijan and Turkmenistan. He explained that in June 2007 the presidents of Azerbaijan and Turkmenistan had met in St. Petersburg and laid the foundation for regular delimitation talks. The first of bimonthly meetings occurred in July in Ashgabat and included lawyers and technical experts. Thereafter, the two sides had met every two months, alternating locations between Baku and Ashgabat. Meredov said the experts involved in the negotiations did not use a text, but rather worked with a map, trying to determine the center line.

16. (C) The Charge passed to Meredov a list of international law firms, many with offices in Almaty, which could provide consultation on negotiation issues. All of the firms came highly recommended, although the Embassy could not recommend one over another. Mann suggested that the Turkmenistan government hire a firm and tell them what needs to be done.

NABUCCO

17. (C) Mann said the United States believes Nabucco is very much needed and is working closely with Hungary, Turkey, and others so that the pipeline goes forward. He said new pipelines will help to attract new investment upstream. Meredov commented that Gazprom's proposed South Stream could run parallel to Nabucco. Mann suggested it is important not to further strengthen Russia's political and economic control caused by its monopoly of gas pipelines.

JOINT OIL AND GAS CONFERENCE WITH AZERBAIJAN

18. (C) Meredov said, Azerbaijan and Turkmenistan should host an annual joint oil and gas conference/exhibition that would be separate from the Turkmenistan International Oil and Gas Exhibition (TIOGE). It would highlight economic cooperation between the two countries in the Caspian and the venue could alternate between the two countries. Mann suggested that international oil companies such as BP, Chevron, or ExxonMobil could be the sponsors.

FREEDOM-TO-TRAVEL CASE

¶9. (C) Mann said he had raised with the president the case of an Embassy employee who had been denied the right to travel abroad and noted her case had been discussed with Turkmen government officials some time ago. It's time to do away with exit visas. Meredov said Berdimuhamedov had said the case would be reviewed. Offering his own thoughts, Meredov said officials involved with the case would have to resolve the questions that gave rise to it. He said Berdimuhamedov had done a lot to resolve individual human rights cases that had been raised to his level and moreover, the president was trying to create good structures to deal with human rights issues. Meredov pointed to the Institute for Democracy and Human Rights and the Human Rights Commission. In addition, Turkmenistan is working on new legislation, including a Human Rights law, new investment law, a law on free economic zones, and various (e.g. criminal) codes. The Charge said the next steps after setting up the human-rights structures is for them to produce concrete results.

¶10. (C) COMMENT: The local employee was removed from the
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exit-control list months ago, but then reappeared on it when she recently attempted to travel to Moscow for medical treatment. She was probably placed back on the list because she is the daughter of an RFE-RL journalist. Senator Richard Lugar's recent successful intervention with Berdimuhamedov on behalf of RFE/RL journalists should make it easier to restore freedom-of-travel for our local employee. END COMMENT.

REPEAL VISA REGIME

¶11. (C) Mann pressed for Turkmenistan to repeal its restrictive Letter-of-Invitation process for visas, which makes it so difficult for foreigners to visit the country. He said such a system would naturally hinder new investment. He pointed to Ukraine and Kazakhstan which are more inviting to investors because they do not have such restrictive visa regimes. It's time to bring the country to a modern level. Meredov indicated he understood the point Mann was making.

MEREDOV TO THE UNITED STATES? "POTOM"

¶12. (C) Mann asked Meredov when he would travel to the United States. Looking embarrassed and not answering directly, Meredov responded he frequently travels to various countries as part of bilateral commissions. He noted he had recently been in India for such a commission.

¶13. (C) COMMENT: It is clear Turkmenistan has decided on a close partnership with Azerbaijan, especially to cooperate and develop Caspian resources jointly. But until now, both sides have been doing a bit of an Alfonse-and-Gaston routine -- you first; no, you first. In October 2007, in close back-channel consultation with the U.S. Ambassador in Baku, Charge offered to Meredov that the United States could play an honest-broker role to facilitate Ashgabat-Baku collaboration. At that time, he had cautiously responded, "It's not out of the question." Early in January, he told Charge he was ready to speak with Ambassador Mann "in detail" about Azerbaijan. Based on Mann's meeting with Berdimuhamedov (reftel), it seems clear Meredov has been working behind the scenes to get the president on board for the United States to help, when and as appropriate, Turkmenistan build a new relationship with Azerbaijan. This is especially significant because it suggests Turkmenistan is coming to view the United States as a partner. END COMMENT.

¶14. (U) Ambassador Mann has cleared this cable.
HOAGLAND